Tan Kim Hock Tong Seng Food Industry Sdn Bhd v Tan Kim Hock Product Centre Sdn Bhd & Anor

HIGH COURT (KUALA LUMPUR) — ORIGINATING SUMMONS NO 24-IP-25–05 OF 2014
AZIZAH NAWAWI J
13 JULY 2015

Trade Marks — Passing off — Application for trade description order — Allegations of false trademark — Dodol products — Whether applicant had substantial reputation and goodwill in mark — Confusingly similar trademarks being sold at defendant's premises was 'halal' certified — Whether application should be allowed — Trade Description Act 2011 ss 9(1) & 2

The applicant applied for a trade description order ('TDO') under s 9(1) and (2) of the Trade Description Act 2011 ('the Act') that the Durian Dodol, Coconut Dodol and coconut biscuits ('dodol products') bearing the trademark with a logo 'T' which was red and white coconut tree where in the middle of the coconut tree consists of a logo 'S', on its packaging, which was confusingly similar with the applicant's trademark, to be declared as a false trademark. The founder of the applicant was Mr Tan Kim Hock ('Mr KH Tan') and the said trademark had gained recognition, both locally and overseas. The applicant had acquired a substantial reputation and goodwill in the said mark. In 2001, the Tan Kim Hock Product Centre Sdn Bhd ('TKH Product Centre') was established by Mr KH Tan and the directors were Mr KH Tan and the second intervener ('Madam Siah'). The TKH Product Centre was established to sell and market the dodol products, which were manufactured in the applicant's factories. In 2012, Mr KH Tan sold his interest in the TKH Product Centre to Madam Siah and her family. After this transfer, the applicant's dodol products continued to be sold at the TKH Product Centre. In November 2013, the applicant stopped distributing its dodol products to the TKH Product Centre. Subsequently, the applicant found that the dodol products, which were not the applicant's dodol products, but bearing confusingly similar trademarks were still being sold at the TKH Product Centre. The applicant raised its concerns that its dodol products were 'halal' certified and there was an issue of whether the dodol products bearing confusingly similar trademarks being sold at the TKH Product Centre (which also used 'halal') were actually 'halal' certified. The applicant's concern was that if the same was not actually 'halal certified', it would jeopardise the applicant's reputation. Premised on the application filed by the applicant, the TDO was granted. The interveners filed this application to set aside the TDO.

Held, dismissing the application with costs of RM5,000:

(1) The infringing products were using the marks which were confusingly similar to the applicant's registered marks. The only missing part was the words 'CAP POKOK KELAPA'. As such, the infringing products had passed off the applicant's registered mark. In granting the TDO, the court had considered that the dodol products purchased from the intervener's premise, which were not the applicant's dodol products, at TKH Product Centre, which were not identical but could be passed off as the registered trademark of the applicant (see paras 25–26).

(2) The interveners relied on s 46(1)(b) of the Trade Marks Act 1976 to support its contention that the law of abandonment of registered mark through non-use. However, s 46(1)(b) is with regards to an application made by an aggrieved party to expunge a trademark from the register of trademark for non-use. Reference to s 46(1)(a) was not relevant as the interveners were not applying to expunge the registered trademark on the basis of non-use (see para 29).

(3) The dominant feature of the applicant's registered mark to be the logo 'T' which was red and white coconut tree where in the middle of the coconut tree consisted of a logo 'S'. With or without the words 'CAP POKOK KELAPA', the dominant feature remained the mark, which was used on the applicant's dodol products. The non-use of the words 'CAP POKOK KELAPA' do not affect the identity of the applicant's registered mark. There was therefore no issue on non-use of the applicant's registered trademark (see para 32).

(4) The interveners failed to show that the applicant had the intention to abandon the registered trademark. Bearing in mind that the applicant had been using the registered trademark with slight and acceptable modification, there could be no intention to abandon the registered trademark. Pertinent as well was the abuse of the 'halal certification' which was granted to the applicant to be affixed of its products, by the interveners' on their products, including 848 units of bak kut teh bearing the applicant's trademarks. The interveners have not only abused the applicant's registered mark, but also the 'halal' certification (see paras 34–35 & 44).

(5) Whenever a party makes an ex parte application to courts for an order, be it an interlocutory injunction, mareva injunction or a trade description order, the applicant is mandated by law to make full and frank disclosure including those facts which may be unfavourable to the applicant. The applicant had disclosed the material facts to support the application for a TDO. The applicant was the registered owner of the registered mark. The applicant had disclosed, in support of the application for the TDO, that the applicant and the interveners were in a business relationship and that the applicant had supplied the dodol products bearing the registered mark, to the interveners (see paras 40 & 43).

[Bahasa Malaysia summary

Pemohon memohon perintah perihal dagangan ('TDO') di bawah s 9 (1) dan (2) Akta Perihal Dagangan 2011 ('Akta') bahawa Durian Dodol, Coconut Dodol dan biskut kelapa ('produk dodol') yang mempunyai cap niaga 'T' logo iaitu pokok kelapa merah dan putih yang di tengah-tengahnya terdapat logo 'S' pada bungkusannya, yang mengelirupa kerana sama dengan cap dagangan pemohon, agar diisytiharkan sebagai cap dagangan palsu. Pengasas pemohon ialah Encik Tan Kim Hock ('Encik KH Tan') dan cap dagangan tersebut diiktiraf di dalam dan luar negara. Pemohon mempunyai reputasi dan nama baik pada cap tersebut. Pada tahun 2001, Tan Kim Hock Produk Centre Sdn Bhd ('TKH Product Centre') telah ditubuhkan oleh Encik KH Tan dan pengarah-pengarahnya ialah Encik KH Tan dan pencelah kedua ('Puan Siah'). TKH Product Centre ditubuhkan untuk menjual dan memasarkan produk-produk dodol yang dikilangkan di kilang-kilang pemohon. Pada tahun 2012, Encik KH Tan menjual kepentingannya di TKH Product Centre kepada Puan Siah dan keluarganya. Selepas pemindahan ini, produk dodol pemohon terus dijual di TKH Product Centre. Pada bulan November 2013, pemohon berhenti mengedar produk dodol kepada TKH Product Centre. Selepas itu, pemohon mendapati bahawa produk dodol, yang bukan produk dodol pemohon tetapi mempunyai cap dagangan yang mengelirupa masih dijual di TKH Product Centre. Pemohon menyuarakan kebimbangan bahawa produk dodol tersebut tidak mempunyai sijil halal dan terdapat isu sama ada produk-produk dodol yang mempunyai cap dagangan mengelirupa yang dijual di TKH Product Centre (yang juga mempunyai cap halal) sebenarnya mempunyai pengesahan halal. Kebimbangan pemohon adalah bahawa jika ia sebenarnya tidak disahkan halal, reputasi pemohon akan terjejas. Berdasarkan permohonan yang difailkan oleh pemohon, TDO dibenarkan. Pencelah memfailkan permohonan ini untuk mengetepikan TDO tersebut.

Diputuskan, menolak permohonan dengan kos sebanyak RM5,000:

(1) Produk yang melakukan pelanggaran tersebut telah menggunakan cap mengelirupa dengan cap berdaftar pemohon. Bahagian yang tidak disertakan hanya perkataan 'CAP POKOK KELAPA'. Oleh itu, produk yang melakukan pelanggaran telah mengelirupa. Dalam membenarkan TDO, mahkamah telah mengambil kira bahawa produk dodol dibeli daripada premis pencelah, yang bukan produk dodol pemohon di TKH Product Centre, yang bukan sama tetapi boleh mengelirupa sebagai cap dagangan berdaftar pemohon (lihat perenggan 25–26).

(2) Pencelah bergantung pada s 46(1)(b) Akta Cap Dagangan 1976 untuk menyokong dakwaannya tentang undang-undang peninggalan cap berdaftar berdasarkan ketidakgunaan. Walau bagaimanapun, s 46(1)(b) adalah tentang permohonan yang dibuat oleh pihak yang terkilan untuk memotong cap dagangan daripada daftar cap dagangan kerana tidak

digunakan. Rujukan pada s 46(1)(a) tidak relevan kerana pencelah tidak memohon untuk memotong cap dagangan berdaftar atas dasar tidak digunakan (lihat perenggan 29).

(3) Ciri-ciri dominan cap berdaftar pemohon adalah logo 'T' iaitu pokok kelapa merah dan putih di mana di tengah-tengah pokok kelapa terdapat logo 'S'. Dengan atau tanpa perkataan 'CAP POKOK KELAPA', ciri dominan kekal pada cap, yang digunakan pada produk dodol pemohon. Ketidakgunaan perkataan 'CAP POKOK KELAPA' tidak memberi kesan pada identiti cap dagangan berdaftar pemohon. Oleh itu, tidak timbul isu ketidakgunaan cap dagangan berdaftar pemohon (lihat perenggan 32).

(4) Pencelah gagal menunjukkan bahawa pemohon mempunyai niat mengabaikan cap dagangan berdaftar. Memandangkan pemohon menggunakan cap dagangan berdaftar dengan sedikit pengubahsuaian dan perubahan yang boleh diterima, memang tiada niat untuk mengabaikan cap dagangan berdaftar. Penting juga bahawa penyalahgunaan 'sijil halal' yang diberikan kepada pemohon dilekatkan pada produk oleh pencelah, termasuk 848 unit bak kut teh yang mempunyai cap dagangan pemohon. Pencelah bukan sahaja menyalahgunakan cap berdaftar pemohon, tetapi juga sijil halal (lihat perenggan 34–35 & 44).

(5) Apabila satu-satu pihak membuat permohonan ex parte kepada mahkamah untuk mendapatkan satu perintah, sama ada injunksi interlokutori, mareva atau perintah perihal perdagangan, pemohon diberi mandat oleh undang-undang untuk membuat pendedahan penuh dan jujur termasuk fakta-fakta yang mungkin tidak memanfaatkan pemohon. Pemohon telah mendedahkan fakta penting untuk menyokong permohonan untuk TDO. Pemohon adalah pemilik berdaftar cap berdaftar. Pemohon telah mendedahkan fakta material untuk menyokong permohonan TDO bahawa pemohon dan pencelah mempunyai hubungan perniagaan dan bahawa pemohon telah membekalkan produk dodol yang mempunyai cap berdaftar kepada pencelah (lihat perenggan 40 & 43).]

Notes

For cases on passing off in general, see 12(2) *Mallal's Digest* (5th Ed, 2015) paras 2735–2823.

Cases referred to

Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd [2010] 8 MLJ 500; [2010] 4 CLJ 711, HC (refd)

Hu Kim Ai (trading as Geneve Timepiece) & Anor v Liew Yew Thoong (trading as

Crystal Hour) [2004] 7 MLJ 590, HC (folld)
Kosma Palm Oil Mill Sdn Bhd & Ors v Koperasi Serbausaha Makmur Bhd [2004] 1 MLJ 316, CA (refd)
Morny Ltd's Trade Marks, Re (1951) 68 RPC 55, Ch D (refd)
Ooi Bee Tat Development Sdn Bhd v Ooi Bee Tat [1985] 1 CLJ 449, HC (refd)
R v Johnstone [2003] 3 All ER 884, HL (refd)

Legislation referred to

Trade Marks Act 1976 ss 20, 21, 23(1), 40(1)(a), (1)(c), (1)(f), 46(1)(a), (1)(b)
Trade Description Act 1972 s 16
Trade Description Act 2011 ss 9, 9(1), (2), 16

Damien Yeo (Lim Ker Wei with him) (Damian SL Yeo & LC Goh) for the applicant.
WS Goh (Joshua Dharmaraj with him) (Bell & Lee) for the interveners.

Azizah Nawawi J:

APPLICATION

[1] This is an application filed by the proposed intervener for leave to intervene and to set aside the order granted by this court on 4 June 2014. As there was no objection to the application for leave to intervene, prayer (1) of encl (11) is allowed.

[2] With regards to the substantive application to set aside the orders dated 4 June 2014, the same was dismissed with costs.

THE SALIENT FACTS

[3] In the originating summons (ex parte) dated 26 May 2014, the applicant applied for a trade description order ('TDO') under s 9(1) and (2) of the Trade Description Act 2011 ('Act 730') that the Durian Dodol, Coconut Dodol and coconut biscuits ('dodol products') bearing the trademark

with a logo 'T' which is red and white coconut tree where in the middle of the coconut tree consists of a logo 'S', on its packaging (as in exh 18), which is confusingly similar with the applicant's trademark, to be declared as a false trademark.

[4] The applicant was incorporated in Malaysia in 1975 with its business

address at No 153, Wisma Tan Kim Hock, Jalan Laksamana Cheng Ho, Malacca. It was established to manufacture, process, distribute and to sell the applicant's products, which includes dodol products.

[5] The founder of the applicant was Mr Tan Kim Hock ('Mr KH Tan'), and together with his late wife, Madam Ngow Swee Yam, they created the Durian Dodol, Coconut Dodol and coconut biscuits. Prior to the establishment of the applicant, Mr KH Tan and his late wife have been selling the 'dodol' products from house to house since the 1950's.

[6] When their 'dodol' business expanded, the said products was sold at a shop called Sykt Tong Seng in Bunga Raya, Malacca. Subsequently, the business expanded to Tong Seng Product Centre and to 'Perusahaan Tan KimHock', and later to Tan KimHock Tong Seng Sdn Bhd.

[7] In 1976, based on an application by Mr KH Tan, the trademark application No M/72924 was registered on 21 September 1976 in Class 30 for 'dodol being a sweet confection made of glutinous rice, kaya, coconut biscuit, coconut candy':

[8] The same was renewed until 21 September 2021. From the exhibits before this court, it is not in dispute that the said trademark has gained recognition, both locally and overseas. The applicant has acquired a substantial reputation and goodwill in the said mark.

[9] In 2001, the Tan Kim Hock Product Centre Sdn Bhd ('TKH Product Centre') was established by Mr KH Tan. It shares the same address with Tan Kim Hock Product Centre established in 1995, at No 85, 87 and 89 Jalan Bendahara, Malacca. The directors of the TKH Product Centre were Mr KH Tan and Madam Siah Siu Eng, the second intervener ('Madam Siah'). Both Mr KH Tan and Madam Siah were the shareholders of TKH Product Centre.

[10] The TKH Product Centre was established to sell and market the 'dodol' products, which were manufactured in the applicant's factories.

[11] In 2012, Mr KH Tan sold his interest in the TKH Product Centre to Madam Siah and her family. After this transfer, the applicant's 'dodol' products continued to be sold at the TKH Product Centre.

[12] In November 2013, the applicant stopped distributing its dodol products to the TKH Product Centre. Subsequently, the applicant found that the 'dodol' products, which are not the applicant's dodol products, but bearing confusingly similar trademarks were still being sold at the TKH Product Centre.

[13] The applicant also raised its concerns that its 'dodol' products are 'halal' certified and there is an issue of whether the 'dodol' products bearing confusingly similar trademarks being sold at the TKH Product Centre (which also uses 'halal') are actually 'halal' certified. The applicant's concern is that if the same is not actually 'halal certified', it will jeopardise the applicant's reputation.

[14] Premised on the ex parte application filed by the applicant, the TDO was granted on 4 June 2014. Pursuant to the TDO, a raid on the TKH Product Centre was carried out by Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan ('KPDNKK') on 15 October 2014.

[15] On 11 November 2014, the interveners filed this application to set aside the TDO.

THE FINDINGS OF THE COURT

[16] The first intervener is the TKH Product Centre and the second intervener is Madam Siah. It is the intervener's case that Madam Siah had begun working for Mr KH Tan in 1970's. The intervener alleged that both Mr KH Tan and Madam Siah created the trademark. It is also the intervener's case that Mr KH Tan had promised to give some shares to Madam Siah for her works. It is the intervener's case that when Mr KH Tan sold his interest in TKH Product Centre to Madam Siah, it includes the goodwill and the trademarks concerned.

[17] The interveners' application to set aside the TDO is premised on the following grounds:

(a) that the registered trademark was abandoned through non-use;

(b) that there was common use of the unregistered trademarks;

(c) that there was co-ownership of the unregistered trademark; and

(d) that there was failure to make full and frank disclosure during the ex parte application.

[18] The TDO was issued pursuant to s 9 of Act 730, which reads as follows:

> (1) Where any person being a registered owner of a registered trade mark under the Trade Marks Act 1976 claim that his rights in respect of such trade mark are being infringed in the course of trade, by any marks or get-up used by any other person, which is not identical with his registered trade mark but can be passed off as his registered trade mark, he may apply to the High Court to declare that the infringed mark is a false trade description for the purpose of section 8.

[19] Under s 9(1) of Act 730, in order to obtain a TDO, the applicant must establish the following:

(a) that the applicant is the registered owner of a registered trademark under the Trade Marks Act 1976; and

(b) that the applicant's rights in respect of its registered trademarks are being infringed in the course of trade by another mark or get-up used by another person which mark or get-up is not identical but can be passed off as the registered trademark.

[20] Additionally, under s 9(2) of Act 730, the applicant must specifically identify the infringing trademark or other mark or get-up.

[21] The House of Lords in *R v Johnstone* [2003] 3 All ER 884 makes reference to the purpose of a trademarks under English law, which is:

> ... the essential function of a trade mark is to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods and services from others which have another origin ...

[22] Therefore, a registered trademark in use in the course of trade by the trademark owner on or in relation to its goods is an indication that is exclusively distinctive of and referable to the trademark owner. It is the link that connects the trademark owner with the goods of the registered mark it manufactures and sells. Thus, the use of the same or confusingly similar mark on or in relation to the same goods without the registered trademark owner's authorisation misrepresents to the public, the source and identity of these counterfeits as having originated from the trademark owner, and are commercially linked to, associated with or are manufactured by the trade owner. To this extent, the rights of the trademark owner are affected by use of the same trademark on or in relation to the same goods by third parties.

[23] In the present case, it is not in dispute that the applicant is the registered proprietor of the trademark, the trademark with a logo 'T' which is red and white coconut tree where in the middle of the coconut tree consists of a logo 'S', with the word 'CAP POKOK KELAPA'.

[24] The registration is accorded serial No M/72924 and is renewed until 21 September 2021.

[25] In granting the TDO, this court have also considered that the 'dodol' products purchased from the intervener's premise (which are not the applicant's dodol products), at TKH Product Centre, which are not identical but can be passed off as the registered trademark of the applicant. Applying the test applied by Justice Azhar Mohamad in *Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd* [2010] 8 MLJ 500; [2010] 4 CLJ 711, where His Lordship in dealing with passing off under s 38 of the TMA 1976 refers to 'so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered ...'. At p 508 (MLJ); p 718 (CLJ), His Lordship added:

> [16] It is important to take note that the operative word pertaining to the infringement in s 38 of the Act, is 'likely to deceive or cause confusion.' Likely denotes that what is required to be established is only probability or possibility of confusion ...
>
> [17] In deciding the similarity between the two words, the words have to be considered as a whole. When comparing the two words to see whether one would be confused with or mistaken for the other, the words would be compared as a whole and merely comparing the syllable ...

[26] In this regard, as can be seen from exhs 'TBS18A', 'TBS18E' and 'TBS18I', the infringing products are using the marks

which are confusingly similar to the applicant's registered marks. The only missing part is the words 'CAP POKOK KELAPA'. As such, this court finds that the infringing products have passed off the applicant's registered mark.

[27] It is the submission of the interveners that there is an undisputed fact that the registered mark has been abandoned. The interveners submit that the applicants has failed to show any proof that the registered trademark

CAP POKOK KELAPA

has ever been used in any of the applicant's products at all material times.

[28] It is not in dispute that the applicant has used the mark

CAP POKOK KELAPA

but without the words 'CAP POKOK KELAPA', that is only the

. The issue then is whether the lack of use of the registered mark of

CAP POKOK KELAPA

means that the registered trademark is deemed to have been abandoned.

[29] The interveners relied on s 46(1)(b) of the TMA 1976 to support its contention that the law of abandonment of registered mark through non-use. However, s 46(1)(b) is with regards to an application made by an aggrieved party to expunge a trademark from the register of trademark for non-use. Reference to s 46(1)(a) is not relevant as the interveners are not applying to expunge the registered trademark on the basis of non-use.

[30] With regards use of

mark by the applicant, without the words 'CAP POKOK KELAPA', the provision of s 23(1) of the TMA 1976 is relevant:

> Where under this Act use of a registered trade mark is required to be proved for any purpose, the Court or the Registry may, if and so far as it or he shall think right, accept use of ... the trade mark with additions or alterations not substantially affecting its identity as an equivalent of such use.

[31] In the case of *Re Morny Ltd's Trade Marks* (1951) 68 RPC 55, the court held as follows:

> I understand the trade mark law, the Statute recognized the undesirability of requiring proprietors of registered trade marks to maintain the precise form of embellishments or representations which at the time of application were included in the form of the mark submitted for registration ... *use of the trade mark with alterations not substantially affecting its identity can be treated by the Court as equivalent to the use required to be proved*. (Emphasis added.)

[32] In the present case, I find the dominant feature of the applicant's registered mark to be the logo 'T' which is red and white coconut tree where in the middle of the coconut tree consists of a logo 'S',

With or without the words 'CAP POKOK KELAPA', the dominant feature remains the

mark, which is used on the applicant's dodol products. The non-use of the words 'CAP POKOK KELAPA' does not affect the identity of the applicant's registered mark. There is therefore no issue on non-use of the applicant's registered trademark.

[33] On the issue of abandonment, in view of my finding that pursuant to s 23(1) of the TMA 1976, it is permissible to use the registered mark as

without the words 'CAP POKOK KELAPA', then there is no issue of abandonment. It is not in dispute that the applicant has been using the

on its products since 1970.

[34] In any event, the interveners have failed to show that the applicant has the intention to abandon the registered trademark. In P Narayanan 'Law of Trade Marks and Passing Off', in para 24.74, the author opines that:

> To 'abandon' means to give up absolutely and irrevocably. Although a long period of no-use might indicate an intention to abandon, non-use alone is not enough. There must be other factors involved before such conclusion can be arrived at as for example the liquidation of the company which owns the mark or a declared intention not to resume user ... The question of abandonment is one of intention to be inferred from the facts of the particular case. No particular length of time is necessary for abandonment.

[35] In the present case, bearing in mind that the applicant has been using the registered trademark with slight and acceptable modification, there can be no intention to abandon the registered trademark.

[36] The next two issues are on the common use of the 'unregistered trademarks' and the common ownership of the 'unregistered trademarks'. The interveners submit that unregistered trademarks are the following marks:

[37] It is the submission of the interveners that all the unregistered trademarks are jointly owned by Mr KH Tan and Madam Siah and that the first intervener have been using the unregistered trademarks.

[38] With regards to the ownership of the unregistered trademarks, the same is the subject matter of the suit 22IP-59–10 of 2014 and is not relevant to the issue of the TDO, as we are only dealing with a registered trademark under s 9 of Act 730. So long as there is a registered trademark and the same has been infringed, this forms the basis of the TDO.

[39] The next issue raised by the interveners is that the applicant has failed to

make full and frank disclosure during the ex parte application for the TDO. It is the submission of the interveners that the applicant failed to disclose or have deliberately concealed the following facts:

(a) abandonment of the registered trademark through non-use;

(b) the founding efforts of the Madam Siah with Mr KH Tan;

(c) the co-ownership if not exclusive ownership of the five trademarks through the sale and transfer of all proprietary rights and ownership of the five trademarks by Mr KH Tan to Madam Siah and to the son of Madam Siah;

(d) Mr KH Tan statutory declaration affirmed on 4 July 2013;

(e) the establishment of the first intervener as the main sale outlet of Tan Kim Hock products through which the good will and reputation were built;

(f) the honest concurrent use of the unregistered trademarks over a long period of time;

(g) the consent of the applicant in supplying the Tan Kim Hock products to the first intervener with the express permission to the first intervener to sell the same which said state of affairs had persisted over a long period of time;

(h) the applicant further deliberately failed or refused to disclose and/or concealed the proposed first intervener's solicitors' (Bell & Lee) letter dated 16 April 2014 to this honourable court when applying for the TDO at the ex parte stage:

(i) the said letter from Bell & Lee dated 16 April 2014 is exhibited in exh AGG-3(b) of Ang Gee Guan's affidavit support dated 10 November 2014;

(ii) the said letter from Bell & Lee dated 16 April 2014 contained the following absolutely crucial facts:

(1) it was in response to the letter from the applicant's solicitors dated 26 February 2014 – see exh AGG-3(a); and

(2) the interveners vehemently and strongly disputed the applicant's claim of exclusive right over the unregistered trademarks; and

(3) the interveners vehemently and strongly maintained their proprietary rights and right of use of the unregistered trademarks in that the applicant's solicitors in their letter dated 26 February 2014 never mentioned anything about the registered trademark because, we humbly submit that, it had been abandoned through non-use;

(i) when challenged by the interveners' application now to set aside the TDO, the applicant through Tan Bee Sen now clearly and unequivocally admitted and acknowledged that in para 22 of Tan Bee Sen's affidavit *jawapan* affirmed on 10 December 2014 that:

> ia adalah satu fakta yang tidak dinafikan bahawa Pencelah Pertama telah lama menggunakan Cap-Cap Dagang tersebut.

(j) the above said admission and acknowledgement is a glaring non-disclosure of material fact that the first intervener is at least a concurrent user or joint owner of the said unregistered trademarks pursuant to ss 20 and 21 of Act 175. Further, defenses under s 40(1)(a), (c) and (f) of Act 175 are available to the first intervener.

[40] It is common ground that whenever a party makes an ex parte application to courts for an order, be it an interlocutory injunction, mareva injunction or a trade description order as in this present originating summons, the applicant is mandated by law to make full and frank disclosure including those facts which may be unfavourable to the applicant. In *Kosma Palm Oil Mill Sdn Bhd & Ors v Koperasi Serbausaha Makmur Bhd* [2004] 1 MLJ 316, the Court of Appeal held, inter alia, that:

> It is trite law that in any ex parte application it is essential that there must be frank and fair disclosure of all relevant materials including points that may be unfavorable to an applicant.

[41] In *Ooi Bee Tat Development Sdn Bhd v Ooi Bee Tat* [1985] 1 CLJ 449 at p 458, Justice Edgar Joseph Jr J held that:

> It is settled law that when a party applies ex parte, full disclosure of all material facts must be made and that the doctrine of *uberrima fides* applies by analogy: per Davies LJ in *Beese & Ors v Woodhouse & Ors* [1970] 1 WLR 586. For this reason, *where material facts have been withheld, the ex parte Order may be set aside irrespective of the merits*: *Castelli v Cook* [1849] 7 Hare 89 Eng Rpts Vol 68 p 36 and *Dalglish v Jarvie* [1850] 2 Mac & G 231 (Macnaghten & Gordon's Reports Vol 2). *The fact that the party in whose favour the ex parte order was made may think the facts misstated or concealed not material or may have forgotten them affords no excuse*: *The King v The General Commissioners for the Purposes of the Income Tax Act for the District of Kensington* [1917] 1 KB 486. (Emphasis added.)

[42] Therefore, the next issue is whether the applicant has failed to disclose the material facts as set out by the interveners above. Bearing in mind that this application is for a TDO, the material facts must be relevant for the purpose of the TDO itself. In *Hu Kim Ai (trading as Geneve Timepiece) & Anor v Liew Yew Thoong (trading as Crystal Hour)* [2004] 7 MLJ 590, the court refer to an English case when considering what constitutes material facts. At p 594, the court held that:

A [5] On ground (c) the Intervener alleged that the applicant have failed to disclose material facts that they were once business partners. In considering what constitutes material facts, it is helpful to recall the English Court of Appeal's decision in *Brink's mat Ltd v Elcombe* [1988] 1 WLR 1350, where Ralph Gibson LJ held, at p 1356 paras G-H, as follows:

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> *The material facts are those which it is material for the judge to know in dealing with the application as made: materiality is to be decided by the Court and not by assessment of the applicant or his legal adviser …* (Emphasis added.)

C **[43]** Having considered the affidavit evidence, I find that the applicant has disclosed the material facts to support the application for a TDO. The applicant is the registered owner of the registered mark. The applicant has disclosed in the affidavit supporting the application for the TDO that the applicant and the interveners were in a business relationship (see paras 16–20 of supporting affidavit), and that the applicant had supplied the dodol D products bearing the registered mark, to the interveners. In para 18, the applicant states that the applicant's products were marketed and sold at the premise of the first intervener. But the supplies have stopped since November 2013.

E **[44]** The dodol products under the TDO are goods seized from the interveners, which are not supplied by the applicant but found to bear marks which are confusingly similar to the products bearing applicant's trademark. Pertinent as well is the abuse of the 'halal certification' which was granted to the F applicant to be affixed of its products, by the interveners' on their products, including 848 units of Bak Kut Teh bearing the applicant's trademarks. The interveners have not only abused the applicant's registered mark, but also the *halal* certification.

G **[45]** With regards to the non-disclosure of the letter dated 16 April 2014, I am of the considered opinion that the same is not a material fact for the purpose of the TDO as it pertains to the fight over the unregistered trademark which is now pending in the courts. It is not relevant to the TDO application, which is premised on the registered trademark, currently under the name of the H applicant.

[46] On the issue of whether the application should be heard inter parte, the decision in *Hu Kim Ai (trading as Geneve Timepiece) & Anor v Liew Yew Thoong (trading as Crystal Hour)* [2004] 7 MLJ 590 held that there is no requirement I under s 16 of the Trade Description Act 1972 which is pari materia with s 9 of Act 730 to dictate that the proceedings to be made inter parte.

[47] In the premise, I find no merit in this application and prayers 3–5 of encl (11) is dismissed with costs of RM5,000.

Application dismissed with costs of RM5,000.

Reported by Afiq Mohamad Noor